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REPORT

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**BOSTON'S 1981 PERSONNEL REDUCTION PROGRAM
A Second Look After Six Months**

The City of Boston eliminated 1,854 city-funded employees from departmental payrolls between January 1 and July 7 of this year, a cut of 14%. In the two months after May 5, when the Bureau had verified an initial reduction of 1,155 positions, 699 more employees were dropped from city-funded payrolls. This reduction of 1,854 employees represents a decrease in annualized salary costs of roughly \$22 million. In addition, Suffolk County positions funded by the city have decreased by 29 or 5% since January 1. The number of federally funded CETA and CDBG positions has been reduced by 227 or 24% in the last six months. While personnel reductions continued after July 7, some employees laid off by that date returned to the payrolls later in the month.

The Bureau has long held that the city could eliminate 1,500 city-funded positions without affecting essential services. The reduction of 1,854 positions in six months is a commendable effort. The gains achieved should not be lost by returning non-essential positions to the payroll due to additional state aid and the freeing up of funds upon state approval of the Tregor home rule petition. While certain public safety and public works positions may be restored, those should be offset by additional reductions of non-essential positions to maintain an annualized salary reduction of between \$22-25 million. The reduction of school positions is not considered here. The 14% cut in city positions contrasts with the proposed reduction of about 1,750 school employees, a decrease there of 22%.

The lack of a reliable and centralized city personnel report has made it difficult to document the changes in city employee numbers with a high degree of accuracy. The Bureau spent significant time manually auditing and adjusting various payroll reports to get reasonably accurate data. That fact again demonstrates the need to implement a new personnel/payroll system this year.

Personnel Reduction - 1,854 In Six Months

From January 1 to July 7 of this year, the city payroll decreased from 12,845 to 10,991, a cut of 1,854. Five departments--Health and Hospitals (-389), Police (-337), Fire (-273), Public Works (-205) and Parks and Recreation (-156)--accounted for 73% of the total reduction. Because those figures on police and fire reductions are as of July 7, they do not include the bulk of the lay-offs of patrolmen and fire fighters which began on July 15.

Mayoral departments showed a net decrease of 351 positions from city-funded payrolls. That compared with a reduction of 1,503 positions in non-mayoral departments. However, at least 50% of the Mayoral departments' cuts are attributable to transferring employees to other city and federally-funded departments rather than layoffs. The Mayor's Office of Public Service offers a good example of this. Between May 5 and July 7, the entire staff of 95 was eliminated. However, of the 95 employees only 15 were laid off; 16 were transferred to non-mayoral departments; 30 moved to other Mayoral departments; 6 transferred to federally-funded positions and 28 moved to four of nine newly established

Mayoral departments described below. The actual number of mayoral employees laid off by July 7 is questionable since review of subsequent July payrolls uncovered a number of formerly laid off employees again working for the city. For example, the Human Services Department was abolished on June 30 and none of the 14 employees could be found on any July 7 payroll. Later in July, on a staggered basis, 9 of the 14 employees were placed on other city payrolls.

Department	No. of City-Funded Employees			Variance from	Annualized Salary
	<u>1/1/81</u>	<u>5/5/81</u>	<u>7/7/81</u>	<u>1/1/81 to 7/7/81</u>	<u>Savings (in 000's)</u>
Health and Hospitals	4,273	4,021	3,884	(389)	\$ (1,691)
Police	2,786	2,554	2,449	(337)	(7,570)
Fire	2,039	1,846	1,766	(273)	(2,915)
Public Works	636	545	431	(205)	(2,237)
Parks & Recreation	416	333	260	(156)	(1,610)
Office of Public Service	111	95	-	(111)	(1,728)
Library	443	417	397	(46)	(160)
Real Property	162	145	119	(43)	(754)
Community Schools	87	49	47	(40)	(548)
Mayor's Office	12	28	5	(7)	(107)
Property Equalization	142	131	170	28	88
Retirement Board	28	35	37	9	80
Total City Depts.	<u>12,845</u>	<u>11,690</u>	<u>10,991</u>	<u>(1,854)</u>	<u>\$(22,332)</u>

The reduction or elimination of staff in some city departments since May 5 was achieved by transferring employees to nine new payrolls which were established on July 28 within the Administrative Services Department. These new payrolls are funded by federal reimbursements to Boston covering the cost of city-financed fringe benefits for employees of the Community Development Block Grant Program. These reimbursements thus become city funds and the 94 employees on the nine payrolls will be counted as city-funded personnel in future monitoring reports. Use of these CDBG reimbursements for new programs before being returned to the City's general fund and appropriated is a questionable practice which should be stopped. Of the 94 employees on the nine payrolls, 87 have been transferred from other city payrolls, including 15 from the Mayor's Office, 34 from the Office of Public Service, 13 from the Public Facilities Department and 10 from federal payrolls.

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